

Bakery Products, Noodle & Pasta

January 14, 2014

IMPORTED PASTA

~STRONGER PROPOSALS AND RAISING BRAND POWER
ARE FUTURE CHALLENGES~

While imported pasta has been growing in volume over the past 3 years, its total fell during the period of January to September in 2013. The total figure was down 6.8%, while long pasta fell 5.3%, and short pasta fell 22.5%. The drop of long pasta, which accounts for 92.7% of the total volume, made a large impact. This is mainly because of the soaring import price caused by the weakening of the yen. In terms of CIF price, the figures during January to September rose 21.6% from the same period of the previous year.

As for import trends by country, the prices are high across the board. It has a high rise of 20-30%. By looking the decrease in volume (long pasta only, data from January to September), Italy with the largest volume fell 8.2% and the US with an annual import volume of nearly 20,000 tons fell 1.7%. On the other hand, Turkey, which made a leap to the 2nd largest country for import volume in 2012 continued to grow in 2013 by 8.3%. Despite all this, a double-digit decrease of volume has continued since the first half of the year where yen began to weaken, and the unit price continues to remain 20% higher. Regarding the fact that the annual volume rose 56.4% for one year in 2012, this year's figure is rather stagnant. If the unit price remains high due to the weakening of the yen, there are chances of a decrease in volume without the merits of a lower price.

But there is a common feeling that pasta demand is steady overall. The Japanese pasta market is mature, and 70% of the consumers purchase pasta on a regular basis. In addition to attracting new pasta users, developing promotion plans to create more ways of eating is believed to be important. "Quick boil" or "dipped spaghetti (eating spaghetti by dipping it into a sauce) is part of this promotion plan, and "dipped spaghetti" is gathering high attention from the media. Companies are strengthening their proposals to increase the diversity of demands and strengthen their brand, aiming for the New Year holidays. The largest domestic maker, Nisshin Foods commented, "Without expensive imported pasta lined up at the pasta section, we cannot show enough power in our proposal. It does become a competitor of domestic products, but we want our consumers to know the good taste and depth of pasta. We hope this will lead to vitalization of the market itself."

Changes in the Imported Pasta (September 2013)

Year	As of Oct. 30, 2013				
	11・000 With egg	19・093 Spaghetti	19・094 Macaroni	B Total	Y/Y %
2006	634	99,338	9,816	109,788	100.2
2007	463	94,851	9,108	104,410	96.1
2008	571	117,155	9,529	127,255	121.9
2009	401	105,962	10,051	116,414	91.5
2010	333	110,503	9,816	120,652	103.6
2011	370	123,449	10,649	134,468	111.5
2012	411	130,768	11,156	142,335	105.9
Monthly record (FY2013)					
January	28	10,590	698	11,316	118.5
February	29	9,871	760	10,660	105.7
March	13	8,445	634	9,092	91.7
April	36	10,785	965	11,786	114.4
May	33	11,915	907	12,855	98.6
June	26	8,996	644	9,666	88.3
July	25	11,349	690	12,064	86.8
August	43	10,462	954	11,459	76.6
September	28	10,207	772	11,007	76.3
Year-on-year	31	13,200	1,219	14,450	-
Total of Jan.-Sep.	261	92,620	7,024	99,905	93.2
Accumulated Y/Y	311	97,772	9,059	107,142	-

Source: Ministry of Finance "Trade Statistics"

Let's take a look at the movement of import companies. Monte Bussan, which mainly handles Italian products, introduced 5 new brands. Since they increased the number of items at once, they neatly explained the different characteristics of the brands to make a proposal that matches customers' needs. The company decided on a policy called "2013 is the year of pasta" and raised the awareness of the employees. They also used their own test kitchens located in the 6 main cities of Japan to hold an "Italian food skill workshop" by inviting famous Italian chefs. They continued making detailed proposals by pointing out characteristics of each brands and menus that match. These steady efforts of nearly 100 sales staffs across Japan were proved effectual and shipping increased vastly in 2013 compared to the previous year .



Long pasta



Short pasta